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Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Note by the Secretary-General

1. Pursuant to General Assembly resolutions 48/218 B of 29 July 1994 and 52/8 of 31 October 1997, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the audits of the procurement process at the United Nations Angola Verification Mission.

2. The Secretary-General is pleased to note that measures have been taken or initiated to correct the issues addressed in the review.

3. The Secretary-General takes note of the report's findings and concurs with its recommendations.

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Annex

Report of the Office of Internal Oversight Services on the audits of the procurement process in the United Nations Angola Verification Mission

Summary

Introduction

Pursuant to General Assembly resolution 52/8, the present report is submitted to provide insight into the procurement process at the United Nations Angola Verification Mission (UNAVEM).

In December 1995, the UNAVEM administration requested an internal review committee, also referred to as the "commission", to conduct an internal examination of certain procurement activities. As a result of the commission's report, in May 1996, the Director, Field Administration and Logistics Division, the Department of Peacekeeping Operations, had requested that UNAVEM III procurement activities be reviewed by the Office of Internal Oversight Services (OIOS). Subsequent OIOS audits of the Mission by a visiting audit team during June 1996 and May-June 1997 and by the resident auditor during the periods from August 1996 to April 1997 and from August to December 1997 gave special attention to the procurement process. The results of the audits were communicated to the Mission and to the Department of Peacekeeping Operations and followed up.

Results in brief

The audits disclosed serious management deficiencies and apparent breaches of financial regulations and rules as well as improprieties and irregularities in the procurement process, which in some cases resulted in significant losses to the Organization. Weaknesses in the management and control of procurement operations created a climate that may have fostered fraud and financial abuse.

The most significant findings were as follows:

- In several instances, the Mission's Procurement Section interfered in the requisitioning process, resulting in splitting of requisitions and lengthy delays in processing. The splitting of requisitions allowed bypassing of the normal procurement procedures and of scrutiny by the Local and Headquarters Committees on Contracts. The delays in processing of requisitions resulted in rush purchases without providing adequate opportunity for competition among a wide range of suppliers;

- A large number of requisitions were raised for goods and services that were not essential or urgently needed. The Mission did not enter into financial commitment, however, and such requisitions involving more than $15 million were later cancelled;

- Some goods were procured from a restricted group of middlemen, at higher prices, under doubtful circumstances. Goods and services were procured, and payments made, without following the established procedures for procurement and without issuing purchase orders;

- In one case of hiring of an aircraft, there were serious irregularities; the contract was cancelled, however;

- A delegation of authority to the Mission for procurement of goods valued at $7 million, on grounds of urgency, proved to be unwise. There were deficiencies in the contract and delayed, sub-standard and short supplies were accepted. Payments were made after a "quality deduction" of only $84,000, as against a possible total deduction of at least $264,000 on account of the poor contractual performance of the vendor. In addition, the Organization sustained significant indirect losses;

- The Mission paid $667,000 for stevedoring charges in connection with the sea-lift of contingents and contingent-owned equipment, which should have been the responsibility of the vessel operators; full recovery action is being taken by the United Nations Mission in Angola (MONUA);

- There were administrative lapses in not renegotiating the rental charges for buses provided by a contractor, with capacities below those stated in the quotation and the contract; the possibility of recovery action is being explored by MONUA;

- An excessive obligation of more than $112,000 for the rental of accommodation facilities was averted upon the advice of the resident auditor;

- Transportation and related services were procured, and payments of $677,000 were made, without following the applicable financial regulations, rules and procedures.

Recommendations and remedial actions

In summary, OIOS recommended that:

- Individual accountability for the improprieties, irregularities and losses, as well as the lack of control in the procurement operations of the Mission, be determined for appropriate action, including invoking financial rule 114.1 for the recovery of losses, where justified;

- The Mission's Procurement Section be revamped, replacing officials of doubtful integrity, and the receiving and inspection function strengthened;

- The Mission's internal controls be strengthened, in particular with regard to monitoring the processing of requisitions and management review of individual procurement actions.

OIOS was informed as follows:

- *A number of boards of inquiry have been established by the Mission to review the circumstances of the procurement irregularities. The investigation and review of misconduct continues to be undertaken in order fully to determine the accountability of individuals for the purpose of instituting disciplinary proceedings;*

- *In order to address the failings, a new Chief Procurement Officer was assigned and other staff replaced. Measures have been introduced to strengthen internal controls, improve transparency and reduce the time taken to process requisitions. The terms of reference of the Senior Administrative Officer were amended to include a management review function to improve procedures further;*

- *The re-registration of vendors has been initiated to ensure that suppliers of doubtful quality are not utilized. Greater transparency has also been introduced into the procurement process to ensure that purchases are properly authorized and justified.*

OIOS appreciates the initiative of the Mission and the Department of Peacekeeping Operations with regard to the audits of the procurement process in the Mission, their timely response to the audit findings and their actions for the implementation of the recommendations, all of which have contributed to improvements in the process.

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I. Introduction

1. The present report was prepared in response to General Assembly resolution 52/8 of 31 October 1997, in which the Assembly requested the Secretary-General to entrust to the Office of Internal Oversight Services (OIOS) the preparation of a report to the Assembly on the audit findings on the procurement process in the United Nations Angola Verification Mission (UNAVEM III). While the administration is expected to submit a written report to the Assembly on efforts to recover losses and corrective measures taken, OIOS has included, in the present report, available information on such efforts and on remedial action taken so far.

2. In December 1995, the UNAVEM administration requested an internal review committee, also referred to as the "commission", to conduct an internal examination of certain procurement activities. As a result of the commission's report, in May 1996, the Director, Field Administration and Logistics Division, Department of Peacekeeping Operations, had requested that UNAVEM III procurement activities be reviewed by OIOS. Accordingly, special attention was given to the procurement operations in the audits conducted subsequently. There were two audits of the Mission during June 1996 and May-June 1997 by a visiting audit team, in addition to the audits conducted by the resident auditor. In all, four audit reports were issued to the Field Administration and Logistics Division during the period from October 1996 to January 1998. A draft of the present report was submitted to the Department of Peacekeeping Operations on 20 February 1998 and the Department's comments on it were received on 9 April 1998. Comments received from the Department and the Mission have been reflected throughout this report and are identified by the use of italics.

II. Processing of requisitions

3. The audit team found that, in several instances, the Mission's Procurement Section had interfered in the requisitioning process, resulting in splitting of requisitions and badly delaying the processing of requisitions. The splitting of requisitions allowed bypassing of the normal procurement procedures and scrutiny by the committees on contracts. The delays in processing of requisitions resulted in rush purchases without providing adequate opportunity for competition among a wide range of suppliers. *There were several "rush buying trips" to South Africa, involving more than a million dollars on each occasion.*

4. *The Mission acknowledged that the Procurement Section did not process requisitions with the timeliness and care expected of a professional procurement section and, as a result, the Mission and the Organization had suffered through exigent procurement exercises that definitely reduced the likelihood that required goods and services would be acquired at the lowest prices possible. The Mission stated that it was introducing procedures in an attempt to prevent delays and avoid improprieties in processing requisitions. Regarding the splitting of requisitions, the Department of Peacekeeping Operations clarified:*

> *"Some of the cases reflect the necessity to split the different requirements in an aggregate requisition in order to target the procurement to the specialized vendors, or to reflect the different sources of funding ... True, as a result, especially in the second case, economies of scale could not be achieved."*

5. During a subsequent audit, the audit team noted that, as at 30 May 1997, there were 412 requisitions awaiting procurement action, most of which did not appear to be valid. After a review carried out by the requisitioners during the period of audit, the number was reduced to 132 as at 18 June 1997. The corresponding reduction in requisition value was more than $15 million. Although the Mission had not yet entered into financial commitment, it was clear that the requisitions that had been cancelled were initially raised for goods and services that were not essential or urgently needed.

6. OIOS recommended that the successor United Nations Mission in Angola (MONUA) ensure that the validity and priority of requisitions were properly assessed.

III. Vendor roster

7. The UNAVEM commission had gathered strong evidence that the Mission's Procurement Section frequently awarded large contracts to a restricted group of "suppliers" in South Africa, who acted only as middlemen, thereby increasing the prices of the goods purchased, because of the mark-up for commissions. The commission had observed:

> "It would appear that the association of the Chief Procurement Officer and some of his staff ... with the above suppliers is not above board, and extends beyond professional contacts. The close and familiar relationships between the Procurement Section and these suppliers appear to have been formed prior to UNAVEM, in the peacekeeping missions in Mozambique and Rwanda."

According to the commission, "there is evidence to suggest that the procurement staff benefited from the efforts of suppliers and vendors to lure UNAVEM".

8. *The Mission indicated:*

> *"In order to address the issue of the apparent restriction of the bidding process to limited supply sources, management has ... instructed the Procurement Section to proceed with the conduct of a re-registration exercise of eligible vendors in the region, on the basis of a general notification."*

9. OIOS recommended that the proposed re-registration of vendors be completed promptly and satisfactorily, within a target date to be determined by the Department of Peacekeeping Operations and, in that process, vendors of doubtful credentials be entirely weeded out. OIOS was advised:

> *"Since June 1996 the UNAVEM III Procurement Section has been engaged in the process of registering new vendors from South Africa and, in parallel, has been identifying existing vendors of dubious quality. Several firms are expected to be expunged from the list."*

As part of this exercise, the Procurement Section has also reportedly utilized the vendor roster provided by the Headquarters Procurement Division.

10. While the re-registration exercise was expected to be completed by January 1997, the audit team noted, during the subsequent audit (May-June 1997), that the Mission's vendor list had not yet been updated. *The Mission stated:*

> *"Despite the efforts of buyers over the past 12 months to expand the number of vendors invited to tender, replies continue to arrive generally from trading companies (i.e. 'middlemen') that are willing to accept the financial risk inherent in doing business with the Mission, which possesses a well-known reputation for slow payment and resides in a country where long delays and losses of goods are encountered while clearing customs."*

11. OIOS recommended that the Chief Procurement Officer of MONUA take appropriate action to create a reliable vendor roster, as soon as possible.

IV. Procurement

A. Air charter services

12. On 1 November 1995, the Mission's Chief Procurement Officer signed a contract with an airline for air charter services costing $175,000. The contract had to be cancelled on 20 November 1995. The UNAVEM commission was established in particular to review the procurement action in that case. The commission had found that the contract had been signed by the Chief Procurement Officer even though there was no formal recommendation of the Local Committee on Contracts and approval by the Director of Administration; the purchase order was issued prior to receiving an authorized requisition; the requisition was certified without ensuring availability of funds; aviation specialists were not involved in the procurement exercise; the Department of Peacekeeping Operations did not authorize the procurement action; adequate time was not allowed for submission of quotations/bids; the aircraft was accepted despite the fact that it did not meet the specifications; and the Chief Procurement Officer had received an unsolicited proposal from "an unknown operator" with whom the contract had been concluded. OIOS could not agree with the statement of the commission in its report that the Chief Procurement Officer had signed the contract "in good faith", as it could not be reconciled with the report in its entirety.

13. OIOS recommended that the accountability for the irregularities be determined based on the entire report of the commission, for suitable action, including recovery of any loss eventually incurred by the Organization. *The Mission advised that:*

> *"Based on the information contained in the UNAVEM commission's report, the Mission's former Chief Procurement Officer appears to be fully accountable for all the irregularities observed by OIOS in this affair. The Field Administration and Logistics Division may therefore take whatever administrative or disciplinary action it deems appropriate under the circumstances. Please note that no claim has been lodged against UNAVEM III by ... Airlines. Should any claim ever be raised by ... (and we doubt that eventuality), then we shall immediately refer the matter to a board of inquiry to determine culpability."*

Later, in August 1997, the Department of Peacekeeping Operations advised: "The matter is under investigation and should not be pre-judged. The personnel involved need to be given an opportunity to express their views."

B. Purchasing trips to South Africa

14. Admittedly, there were irregularities in a purchasing trip to South Africa, undertaken during September-October 1995 and involving purchases totalling $1.5 million. A procurement assistant had reportedly informed the UNAVEM commission that "he was delegated authority by the Chief Procurement Officer to independently receive and evaluate bids and award contracts to suppliers, without the local committee on contracts process, up to $200,000 per contract for a total of $1.5 million". As a result, contracts were awarded mostly to a restricted group of vendors.

15. Another purchasing trip to South Africa in March 1996 involved purchases totalling $1.4 million. On that trip, the Chief Procurement Officer was to be assisted by the procurement assistant referred to in paragraph 14 (whose earlier dealings in South Africa, according to the UNAVEM commission, were "not above board") and a representative of the Mission's Building Engineering Section. The latter representative was to inspect the items held in stock by the vendors for immediate delivery and confirm if they conformed to specifications. If such was not the case, the Chief Procurement Officer was allowed to select another vendor on his own, thereby bypassing normal procedures. Some of the individual purchases involved amounts in excess of $100,000. Thus, the Chief Procurement Officer was given extraordinary authority, despite the fact that there had been earlier serious allegations necessitating a commission to review the procurement actions in South Africa. Finally, the goods were held up for more than four weeks awaiting inspection, negating the need for the accelerated purchasing exercise.

C. Procurement of goods for quartering areas

16. A review by the resident auditor showed that a delegation of authority to the Mission in May 1995, on grounds of urgency, for procurement of tents, mattresses, blankets, clothing, utensils and so on valued at $6.9 million, required in connection with the establishment of quartering areas, proved to be unwise. A purchase order was issued on 20 July 1995 to a company engaged primarily in general trading and car sales. There were, among other things, omission of a requirement in the request for bids to indicate the delivery schedule; failure to obtain a performance bond, contrary to the recommendation of the Headquarters Committee on Contracts; and acceptance of delayed, sub-standard and short supplies. For instance, some of the tents required in August 1995 were supplied as late as November 1995. Hence, the rush purchase was apparently not justified. Although the decision to use the material supplied, in spite of its not conforming to the requisitioned specifications, was justified under the circumstances explained by the management, OIOS noted that payments were finally made after a "quality deduction" of only $84,000, as against a possible total deduction of at least $264,000 on account of poor contractual performance of the vendor. In addition, the Organization sustained significant indirect losses.

17. *Regarding the indirect losses, the Mission stated that it had "had to use $980,000 from the South African donation to upgrade the tents and make various alternative procurements" and that "this money could have been used for other purposes". The Mission acknowledged that the local procurement action in this case had been "poorly handled" and "established receiving and inspection procedures were not consistently followed and related actions were not taken". The Department of Peacekeeping Operations stated in April 1998 that only a small portion of the South African donation had been used in order to supplement or replace supplies that were only intended to be used for a three-month period, but were actually used for an extended period.*

D. Payment of clearing agent's fees

18. In another case, the resident auditor noted overpayment of clearing agent's fees, in July 1996, to the vendor referred to in paragraph 16. *The Mission indicated that a review had revealed irregularities and duplicate payments, that the payments of clearing fees had been referred to the board of inquiry, which was already examining certain issues related to the vendor, and that the Procurement and Finance Sections were being instructed to refrain from any further payments pending the outcome of the board's review.*

19. OIOS recommended that the inquiry initiated by the Mission be expedited and follow-up action taken promptly. However, OIOS was advised in January 1998 that the board of inquiry had not completed its deliberations.

E. Rental of buses

20. After processing the procurement action to rent nine 48/55-seater heavy-duty buses (minimum total seating capacity of 432) to transport the Mission's staff and the service contractor's personnel, the Mission entered into a

contract with a vendor in March 1996, at the rate of $7,800 per bus per month. The vehicles provided by the vendor, however, had a seating capacity of only 31 each, or 279 in total. The Mission had to rent two additional buses at an extra cost of $109,000, since the available nine buses were heavily overcrowded and represented a safety hazard. The resident auditor felt that it was necessary to determine responsibility for entering into a contract to rent 48/55-seater buses and not reducing the contract price when the vendor provided only 31-seater buses, as this had entailed total excess payment of more than $241,000, including the cost of rental of two additional buses.

21. *Acknowledging that "this is yet another case that was poorly handled under the previous Procurement Management" the Mission stated:*

> *"It is unfortunate that Procurement overlooked the fact that the Transport Section had mentioned a seating capacity of 31 for ... buses in the technical evaluation report. Procurement did not realize that the actual seating capacity of the buses (31) neither matched the specifications of the invitation to bid, nor ... [the vendor's] quotation, which explicitly indicates a price for 48/55-seater buses. It is assumed that owing to oversight Procurement did not renegotiate the price with the contractor, and did not request that the additional two buses be provided free of charge. In accordance with common business practice, a claim against ... [the vendor] would not be successful at this point in time, because the smaller buses were tacitly accepted and the present arrangement has been in effect for over nine months."*

22. OIOS recommended that responsibility be determined for the lapses and the losses in this case, for appropriate action. *OIOS was advised in January 1998 that the Field Administration and Logistics Division "has concluded that primary responsibility for the oversight and losses in this case rests with the Chief Procurement Officer for not having renegotiated the rental charges with the contractor vis-à-vis the capacity and number of buses". Subsequently, in April 1998, OIOS was informed that the same contractor was providing the service to MONUA and that the Mission was exploring the possibility of recovering the amounts.*

F. Payment of stevedoring charges

23. Arrangements for the sea-lift of contingents and contingent-owned equipment are made by the Field Administration and Logistics Division, Department of Peacekeeping Operations, through contracts or letters of assist. The Division's Sea Transport Unit had clarified that stevedoring charges were routinely included in all such contracts and letters of assist. The Government of Angola authorities had also indicated in March 1996 that the Mission was not liable to pay the charges, which were instead payable by the vessel operators at a rate promulgated by the Government. However, the resident auditor noticed that the Mission had paid $667,000 during 1996 for stevedoring charges in connection with the sea-lift of contingents and contingent-owned equipment. This included $636,000 in stevedoring charges out of a total amount of $868,000 in port charges paid in July 1996.

24. *The Mission advised that recovery action had been initiated in one case (involving $31,000) and agreed to take necessary action in the remaining cases (involving $636,000) and to ensure effective coordination with the Field Administration and Logistics Division in the future.*

25. OIOS recommended that the Field Administration and Logistics Division ensure recoveries wherever due and establish effective coordination with missions with regard to administration of such contracts. *The Department of Peacekeeping Operations indicated in August 1997 that the Division was assisting the Mission to recover the funds. Subsequently, in April 1998, OIOS was informed that the recovery was in progress.*

G. Procurement of accommodation facilities

Inflated requirements

26. In order to renew the Mission's accommodation leases for the period from 1 January to 30 June 1997, a requisition was raised on 6 November 1996 for 49 two-bedroom houses at the "Araujo" Complex in Luanda, for a total cost of $690,000. Based on the requisition, the Mission's Procurement Section presented the case to the Local Committee on Contracts at its meeting of 12 November 1996. However, the resident auditor noticed that the requirement at "Araujo" was for only 41 houses. This was brought to the attention of the Procurement Section and the Contracts Committee. Subsequently, the requisition was revised and the award of the related contract was reduced to $578,000, resulting in a saving of more than $112,000. Although it was stated that there was an arithmetical error in the requisition, a detailed scrutiny by the resident auditor revealed that it was a case of over-requisition, which would have resulted in excess obligation. *The Mission indicated that "management appreciates the direct assistance provided by the resident auditor in the present case to avert excess obligation of funds".*

H. Payments for transportation and related services

27. The Mission entered into a contract with a vendor on 12 May 1995 for the provision of transportation and related services in Luanda and Lobito for a six-month period ending 11 November 1995 at a total cost not to exceed $194,000. The resident auditor observed that the requirement for those services had not been properly estimated and that payments of more than $191,000 had been made to the vendor within the first two and a half months of the contract. Without obtaining the advice of the Headquarters Committee on Contracts as required under financial rule 110.17 (g), additional payments had been made. The total payments under the contract were $677,000. Additional requisitions for the services had been raised long after the expiration of the contract in order to pay the invoices submitted by the contractor. The presentation of the case was mishandled and delayed. During its deliberations in July 1997, the Local Committee on Contracts asked the Mission's Procurement Section to prepare a chronology of the case, on the basis of which it was to decide "whether the case was handled in the interest of the Organization or whether the case should be recommended for investigation by a board of inquiry". Even after a lapse of more than two years, the case had not been presented to the Headquarters Committee on Contracts.

28. *The Mission stated that proper procedures had not been followed, that the Procurement Section had failed to fulfil its control function and that the Field Administration and Logistics Division should have been alerted to the problem. It was added that procurement activities at that time were characterized by numerous weaknesses and irregularities.*

29. OIOS recommended that the case be examined with a view to ensuring that appropriate action is taken, including, if necessary, institution of an inquiry. *In April 1998, OIOS was advised that this had finally been approved by the Headquarters Committee on Contracts as a partial ex post facto case, after several rejections.*

I. Provision of services at Viana

30. The resident auditor's review of case files relating to the provision of bulk water supply, sewage and garbage disposal and the supply of butane gas at Viana Transit Camp and Viana Logistics Base during the period from May to November 1995 revealed several irregularities. In violation of financial rule 110.16, which stipulates that contracts for purchase of goods and services shall be entered into only by officials authorized for the purpose, the Chief Procurement Officer procured such services, which involved a financial commitment well above his authorized limit of $70,000. Further, no effort was made to obtain the prior advice of the Local Committee on Contracts as required under financial rule 110.17. It was only in September 1997 that the case was submitted to the Local Committee on Contracts, ex post facto, to facilitate payment of the vendor's invoices, which amounted to approximately $171,000. The Committee requested the Procurement Section to provide additional information and deferred the case.

31. *Acknowledging that the case had not been handled in accordance with prescribed procedures, the Mission stated that "responsibility for non-compliance with established procedures will have to be shared by six Chiefs of Procurement who handled the case file between 1995 and March 1997". Subsequently, the Department of Peacekeeping Operations advised that the case had been approved by the Local Committee on Contracts on 26 January 1998.*

V. Recommendations and remedial action

32. As has been brought out in this report, there were serious management deficiencies and apparent breaches of financial regulations and rules as well as improprieties and irregularities in the procurement processes, which in some cases resulted in significant losses to the Organization. Weaknesses in management and control of procurement operations created a climate that may have fostered fraud and financial abuse.

33. *The responses of the Mission to the results of the audit conducted in June 1996 also made clear its concern for "the near breakdown and questionable practices that prevailed within the procurement process in the Mission" and indicated that, among other things, "management is reviewing the procurement process, system, staffing and structure".*

34. In summary, OIOS recommended that:

- Individual accountability for the improprieties, irregularities and losses, as well as the lack of control in the procurement operations of the Mission, be determined for appropriate action, including invoking financial rule 114.1 for the recovery of losses, where justified;

- The Mission's Procurement Section be revamped, replacing officials of doubtful integrity and strengthening the receiving and inspection function;
- The Mission's internal controls be strengthened, in particular with regard to monitoring the processing of requisitions and management review of individual procurement actions.

35. *The Mission advised in December 1996 that it "believes that it has already looked into the circumstances surrounding the irregularities observed within its procurement operations and has provided two reports to Headquarters" and that "these reports included recommendations to the Field Administration and Logistics Division regarding individual procurement staff".*

36. *Regarding the recovery of losses, the Mission stated:*

> *"Procurement cases which have caused losses through irregularity and/or impropriety are referred to the Mission's board of inquiry and, where appropriate, board of inquiry findings are forwarded to the Local Property Survey Board for action. Currently [December 1996], the board of inquiry is looking into the irregularities observed within the procurement of quartering area supplies".*

The Department of Peacekeeping Operations indicated in April 1997 that, "should the Board assign responsibility for losses to any individual staff member, recovery action will be commenced immediately". The Department stated in August 1997 that, "as recommended by the UNAVEM commission, the recovery against the salary of a staff member and the termination of contract of another staff member were implemented". The Department further advised:

> *"A number of boards of inquiry have been established to review the circumstances of the procurement irregularities ... and the investigation and review of misconduct continues to be undertaken in order fully to determine the accountability of individuals for the purpose of instituting disciplinary proceedings".*

37. *Regarding the strengthening of the procurement and the receiving and inspection systems, as well as internal controls, in December 1996, the Mission indicated:*

> *"The Mission's Procurement Section has undergone significant change since the OIOS visit in June 1996 ... Thanks to swift personnel action by the Field Administration and Logistics Division and prudent redeployment within the Administration, a new Chief Procurement Officer and a fresh cadre of professional procurement officers have turned around an underperforming Section. The receiving and inspection function was transferred to the Supply and Property Management Section several months ago. We have also developed written procedures regarding receipt and inspection of goods delivered through Luanda or Pretoria. The new Chief Procurement Officer has introduced suitable and adequate measures that ensure the timely processing of requisitions. Procedures have been introduced within the Local Committee on Contracts to improve transparency within procurement decision-making and to ensure that all case files are comprehensive and complete. The terms of reference of the Senior Administrative Officer have been amended to include responsibility for management review functions".*

VI. Conclusion

38. OIOS appreciates the initiatives of the Mission and the Department of Peacekeeping Operations with regard to the audits of the procurement process in the Mission, their timely response to the audit findings and their actions for the implementation of the recommendations. While action on some of the issues has already been completed, thereby contributing to improvement in the procurement process, action on the remaining issues needs to be closely monitored for expeditious completion. OIOS continues to follow up on the implementation of its recommendations.

(*Signed*) Karl Th. **Paschke**
Under-Secretary-General for
Internal Oversight Services